

**COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE OF ENERGY & ECONOMIC AFFAIRS  
DEPARTMENT OF ENERGY RESOURCES**

**Renewable Energy Portfolio Standard (RPS), CLASS I and Class II, &  
Alternative Energy Portfolio Standard (APS)**

**Adjustment of the  
Alternative Compliance Payment (ACP) Rate  
for Compliance Year 2010**

**January 31, 2010**

The regulations for the Renewable and Alternative Energy Portfolio Standards (RPS Class I, RPS Class II, and APS)<sup>1</sup> provide that the Department of Energy Resources “shall publish the ACP Rate by January 31 of the Compliance Year. The ACP Rate shall be equal to the previous year's ACP Rate adjusted up or down according to the previous year's Consumer Price Index.” Compliance Year is defined in the regulations as a calendar year.

The RPS Class I ACP Rate for 2003, the first Compliance Year, was established in the regulations at \$50.00 per MWh, and each subsequent year has been adjusted according to the Consumer Price Index, as shown in the table below. The ACP Rates for the two subclasses of RPS Class II (Renewable Generation and Waste Energy) and for the APS, which began in 2009, were set in the 2009 regulations, and they are also listed in the table.

The Consumer Price Index (CPI)<sup>2</sup> for 2009 is 229.343, up from 229.306 in 2008, which is an increase of only 0.016%.<sup>3</sup> Accordingly, the ACP Rate for Compliance Year 2010 has been determined to be \$60.93 per MWh,<sup>4</sup> while the other ACP Rates remain unchanged (amounting to less than half a cent each).

<b>Compliance Year</b>	<b>CPI</b>	<b>RPS Class I ACP Rate</b>	<b>RPS Class II Renewable Generation ACP Rate</b>	<b>RPS Class II Waste Energy ACP Rate</b>	<b>APS ACP Rate</b>
<b>2002</b>	<b>188.2</b>	<b>n.a.</b>			
<b>2003</b>	<b>193.5</b>	<b>\$50.00</b>			
<b>2004</b>	<b>200.2</b>	<b>\$51.41</b>			
<b>2005</b>	<b>207.5</b>	<b>\$53.19</b>			
<b>2006</b>	<b>215.0</b>	<b>\$55.13</b>			
<b>2007</b>	<b>220.512</b>	<b>\$57.12</b>			
<b>2008</b>	<b>229.306</b>	<b>\$58.58</b>			
<b>2009</b>	<b>229.343</b>	<b>\$60.92</b>	<b>\$25.00</b>	<b>\$10.00</b>	<b>\$20.00</b>
<b>2010</b>		<b>\$60.93</b>	<b>\$25.00</b>	<b>\$10.00</b>	<b>\$20.00</b>

The RPS Class I Solar Carve-Out went into effect on January 1, 2010, and its initial ACP Rate was set in the new Class I regulation (specifically 225 CMR 14.08(3)(b)2-3) that was promulgated on January 8, 2010. For more information, go to the Solar Carve-Out page at <http://bit.ly/co44N0>.

<sup>1</sup> For RPS Class I, 225 CMR 14.08(3)(a)2; for RPS Class II, 225 CMR 15.08(3)(a)2 and 15.08(4)(a)2; for APS, 225 CMR 16.08(3)(a)2.

<sup>2</sup> For this purpose, the DOER is using the “Consumer Price Index - All Urban Consumers, Northeast Region All Items [Not Seasonally Adjusted].” Source: U.S. Bureau of Labor Statistics, via <http://data.bls.gov/cgi-bin/surveymost?cu>. Note that the annual CPI is presented there to the third decimal place since 2007, compared with only one in previous years.

<sup>3</sup> Calculated thus:  $(229.343/229.306)-1=0.016\%$ .

<sup>4</sup> Calculated thus:  $\$60.92 \times 1.00016=\$60.93$ .